

MINUTES

MONTANA SENATE 57th LEGISLATURE - REGULAR SESSION COMMITTEE ON BUSINESS AND LABOR

Call to Order: By **CHAIRMAN MIKE TAYLOR**, on February 14, 2001 at 8:00 A.M., in Room 422 Capitol.

ROLL CALL

Members Present:

Sen. Mike Taylor, Chairman (R)
Sen. Mike Sprague, Vice Chairman (R)
Sen. Dale Berry (R)
Sen. Edward Butcher (R)
Sen. Vicki Cocchiarella (D)
Sen. Sam Kitzenberg (R)
Sen. Dale Mahlum (R)
Sen. Glenn Roush (D)
Sen. Don Ryan (D)

Members Excused: None.

Members Absent: None.

Staff Present: Bart Campbell, Legislative Branch
Kyanne Kelly, Committee Secretary

Please Note: These are summary minutes. Testimony and discussion are paraphrased and condensed.

Committee Business Summary:

Hearing(s) & Date(s) Posted: SB 445, 2/13/2001
Executive Action: SB 48; SB 277; SB 151; SB118;
SB 292; SB 340; SB 323

HEARING ON SB 445

Sponsor: SENATOR MIKE TAYLOR, SD 37, PROCTOR

Proponents: Governor Judy Martz
Webb Brown, Montana Chamber of Commerce

Opponents: None

Informational Witness: Betty Babcock, Representing Herself
Clyde Dailey, AARP

Opening Statement by Sponsor:

{Tape : 1; Side : A; Approx. Time Counter : 0.6}

SENATOR MIKE TAYLOR, SD 37, PROCTOR, said this bill was brought by the request of the Governor and would create the Office of Economic Development within the Governors office. He said it would also take certain departments within the Department of Commerce and move them to other departments. He stated that the regulating authority of the Department of Commerce would be given to other departments. He further stated that the Department of Commerce would then have one function, to create jobs and increase employment in the State of Montana. **EXHIBIT (bus37a01)**
EXHIBIT (bus37a02)

Proponents' Testimony:

Governor Judy Martz, said this bill would reorganize the Department of Commerce and it would provide a statewide focus in the areas of business retention, technology and workforce development. She informed the committee that the Department of Commerce would set goals and time tables to get new good paying jobs and support job retention. She said that a key component of this reorganization is to place greater emphasis on business attraction. She said she will also put a greater emphasis on community assessment.

Webb Brown, Montana Chamber of Commerce, said he thinks it is absolutely a step in the right direction to separate the regulatory part of the Department of Commerce and the business advocacy part.

Opponents' Testimony: None

Informational Witness:

Betty Babcock, Representing Herself, handed in written testimony.
EXHIBIT (bus37a03)

Clyde Dailey, AARP, said this is an opportunity to make some changes to bring all banking and financial should be under one roof, and to coordinate the banking with federal regulations.

Questions from Committee Members and Responses:

SENATOR VICKI COCCHIARELLA, asked about the purpose of some of the changes.

Mark Simonich said some of them are just clean ups since the law is being rewritten anyway.

SENATOR COCCHIARELLA asked about fire fighters retirement being moved from the Department of Commerce to the Department of Administration.

Mark Simonich said there is a local government audit conducted by the Department of Commerce, so wherever that was in the law it is being moved to the Department of Administration.

SENATOR DALE MAHLUM asked what the Department of Commerce would mainly deal with in this reorganization.

Mark Simonich said the focus would be mainly on economic development.

SENATOR DON RYAN asked what benchmarks and accountability would be built into this. He asked for some goals so that in 2 years he could see if the reorganization actually did anything.

Mark Simonich said we can do that by seeing if we are climbing in per capita income, job growth and a variety of things like that. He also said it could be seen by how many businesses are retained in the state.

SENATOR COCCHIARELLA asked how the public would know who is doing what.

Mark Simonich said that other than moving to a different department the public will see very few changes. The entire division moves intact with the phone numbers and people. He said he sees the transition for the public being very little, it will be basically business as usual.

SENATOR GLENN ROUSH asked if anyone had looked at changing the funding of the Coal Tax to fund this program.

Mark Simonich said they did not.

SENATOR RYAN asked why now? He asked if this was going to be the answer to move us forward now that we've hit bottom.

Senator Taylor said, "Yes it is the answer," and that now we have a Governor who believes in this and has a vision for economic development for the state.

SENATOR SAM KITZENBERG asked how competitive we are compared with other states.

Mark Simonich said we need to look and see what other states are doing and learn from them.

SENATOR MIKE SPRAGUE asked if the Chief Economic Development Officer is going to have authority as well as responsibility.

Mark Simonich said yes.

SENATOR SPRAGUE asked how it will be taken from idea to reality. Ireland and Colorado used off shore banking to get there.

SENATOR MIKE TAYLOR answered that you have to create simple visions and then stick with the vision. He said he sees this as a major tool for economic growth.

Closing by Sponsor:

{Tape : 2; Side : B; Approx. Time Counter : 10}

SENATOR MIKE TAYLOR, SD 37, PROCTOR, said we are 33rd from bottom in income tax, 48th in capital gains, unemployment tax ranks 51st and those are areas to work on. He said there is a need to increase the tax base in order to increase funding in important programs such as education. He said "Never mistake a clear vision for a short distance." He said there is a need to keep the big picture while doing the small things. He further stated that this is a long term plan.

EXECUTIVE ACTION ON SB 48

Motion: SEN. SPRAGUE moved that **AMENDMENTS TO SB 48 BE ADOPTED.**

Discussion: SENATOR SPRAGUE said the amendments have a compromise on the penalty stage. He had suggestions on how to enforce it.

EXHIBIT(3) SENATOR MAHLUM asked what would happen if someone brought in 3-4 bottles for their own use. Neil Peterson said it would be illegal, but there would be no way to enforce it. One of the changes in SB 48 is that you would have to have the wine in your possession, you couldn't ship it. Chairman Taylor asked Bart Campbell to explain the amendment. He said the changes are on page 5 where it changes the penalty. Now it would be a civil offense, 2nd offense to not exceed \$5000., 3rd offense not to exceed \$10,000, 4th offense not to exceed \$25,000. In subsection 3 it says a person who is in the business of selling alcohol, not just people who are users.

Vote: Motion carried unanimously.

Motion/Vote: SEN. BUTCHER moved that **SB 48 DO PASS AS AMENDED.**

Motion carried unanimously.

EXECUTIVE ACTION ON SB 277

Motion/Vote: SEN. BUTCHER moved that **SB 277 BE TABLED.** Motion carried 5-4 with Cocchiarella, Mahlum, Roush, and Ryan voting no.

EXECUTIVE ACTION ON SB 151

Motion/Vote: SEN. ROUSH moved that **AMENDMENTS TO SB 151 BE ADOPTED.** Motion carried 8-1 with Mahlum voting no.

Motion/Vote: SEN. SPRAGUE moved that **SB 151 DO PASS AS AMENDED.**

Motion carried 8-1 with Cocchiarella voting no.

EXECUTIVE ACTION ON SB 118

Motion/Vote: SEN. ROUSH moved that **AMENDMENTS TO SB 118 BE ADOPTED.** Motion carried unanimously.

Motion/Vote: SEN. ROUSH moved that SB 118 DO PASS AS AMENDED. Motion failed 5-4 with Cocchiarella, Kitzenberg, Mahlum, Roush, and Ryan voting aye.

Motion/Vote: SEN. TAYLOR moved that SB 118 BE TABLED. Motion carried 5-4 with Cocchiarella, Kitzenberg, Roush, and Ryan voting no.

EXECUTIVE ACTION ON SB 292

Motion/Vote: SEN. SPRAGUE moved that AMENDMENTS TO SB 292 BE ADOPTED. Motion carried unanimously.

Motion/Vote: SEN. SPRAGUE moved that SB 292 DO PASS AS AMENDED. Motion carried unanimously.

EXECUTIVE ACTION ON SB 340

Motion: SEN. TAYLOR moved that AMENDMENTS TO SB 340 BE ADOPTED.

SENATOR SPRAGUE pointed out that the amendments speak to the roto roter guy, he can still do what he does if he doesn't advertise himself as a plumber.

Vote: Motion carried unanimously.

Motion/Vote: SEN. TAYLOR moved that SB 340 DO PASS AS AMENDED. Motion carried unanimously.

EXECUTIVE ACTION ON SB 323

Motion/Vote: SEN. TAYLOR moved that SB 323 DO PASS. Motion carried 8-1 with Vicki Cocchiarella voting no.

ADJOURNMENT

Adjournment: 10:40 A.M.

SEN. MIKE TAYLOR, Chairman

KYANNE KELLY, Secretary

MT/KK

EXHIBIT (bus37aad)